

# THE ASSESSMENT PROCESS

## **What authority does the Village have to conduct a revaluation?**

Wisconsin Law requires market value assessment of all property. The Village of Bayside Assessor's Office revalues all property every two years to keep pace with changes in the market. During a revaluation, all assessments are examined and adjustments are made where necessary to guarantee that all property is assessed at market value. This is done to assure that taxes are distributed equitably and uniformly.

## **What is the Assessor's role?**

The Assessor is a State certified individual whose duties are to discover, list, and place a value on all taxable real and personal property in the Village, in a uniform manner. The Assessor is not involved in the billing or collection of property taxes.

## **What is the difference between real and personal property?**

For property tax purposes, "real property" refers to land and buildings, while "personal property" is the furniture and equipment owned or used by businesses.

## **How does the Assessor value property?**

Wisconsin Law requires property assessments to be based on fair market value. Estimating the market value of your property is a matter of determining the price a typical buyer would pay for it in its present condition. Some factors the Assessor considers are: what similar properties are selling for, what it would cost to replace your property, the rent it may earn, and any other factors that affect value. **It is important to remember that the Assessor does not create this value, but rather interprets what is happening in the Market Place.**

## **What is market value?**

Market value is defined as the amount a typical, well-informed purchaser would be willing to pay for a property. The seller and buyer must be unrelated, the seller must be willing, but not under pressure to sell, and the buyer must be willing, but not under any obligation to buy. The property must be on the market for a reasonable length of time, the payment must be in cash or its equivalent, and the financing must be typical for that type of property. If all of these conditions were present, this would be a market value, arm's-length sale.

## **I've heard you develop values by computer. Is this correct?**

Just as in many other fields, computers are useful in the assessment process. Assessors are trained to look for relationships between property characteristics and market value. By coding these characteristics and studying sales prices, assessors can estimate value by developing formulas and models. Computers are much faster and are capable of advanced analysis in this area. But despite these capabilities, common sense and assessor judgement are always required to verify assessments.

## **Can the assessment on my property be changed even if the Assessor has not been inside my property?**

To make a proper assessment on a building, it is desirable for the Assessor to see the inside and the outside of the property. The law requires that property be valued from actual view or the best

information available. The Assessor keeps records on the physical characteristics of each property in the municipality. Even though the Assessor may have been unable to go through your property, the assessment will still be reviewed, based on the existing records and the sales of similar properties.

**Will I be penalized if I don't let the Assessor in when an inspection is requested?**

When an interior inspection is not allowed, the Assessor will attempt to update the records by looking at the property from the outside and using any other available information. To ensure an accurate assessment, it is to your advantage to allow the Assessor inside your property when an inspection is requested. By denying an inspection, you may lose the right to appeal your assessment to the Board of Review.

**What will happen to my assessment if I improve my property?**

Generally speaking, improvements that increase the market value of a property will increase the assessed value. The following are typical items that will increase the assessed value of your property:

- Added rooms or garages
- Replacing older siding with aluminum or vinyl siding
- Substantial modernization of kitchens or baths
- Central air conditioning
- Fireplaces
- Extensive remodeling

**Will my assessment go up if I repair my property?**

Good maintenance will help retain the market value of your property. Generally, your assessment will not be increased for individual minor repairs such as those that follow; however, a combination of several of these items could result in an increased assessment.

- Repairing concrete walks and driveways
- Repairing original siding
- Replacing gutters and downspouts
- Replacing hot water heater
- Weather stripping, screens, storm windows, doors
- Replacing furnace
- Repairing porches and steps
- Replacing electrical fixtures
- Exterior awnings and shutters
- Exterior painting
- Patching or repairing interior walls and ceilings
- Repairing or replacing roof
- Exterior landscaping including lawns, shrubbery, trees, flowers

**How can my assessment change when I haven't done anything to my property?**

General economic conditions such as interest rates, inflation rates, supply and demand, and changes in tax laws, will influence the value of real estate. As property values change in the market place, those changes must be reflected on the assessment roll.

**Do all assessments change at the same rate?**

There are differences between individual properties and between neighborhoods. In one area the sales may indicate a substantial increase in value in a given year. In another neighborhood, there may be no change in value, or even a decrease in property values. Different types of properties within the same neighborhood may also show different value changes. For example, one-story houses may be more in demand than two-story houses, or vice-versa. Older homes in the same area may be rising in value more slowly than newer homes. There are numerous factors to be considered in each property, which will cause the values to differ. Some of the factors, which can affect value, are location, condition, size, quality, number of baths, basement finishing, garages, and many others.

**Will I be notified if there is a change in my assessment?**

Wisconsin law requires that whenever an assessment is changed either as an increase or decrease, the owner must be notified.

**How do I know if my assessment is correct?**

You should first attempt to decide for yourself what your property is worth. This can be done by looking at area sales, contacting appraisers, and comparing assessments of similar homes. Sales and assessment information is available in the Assessor's office and open to the public for review during regular office hours.

## THE APPEAL PROCESS

**What if I don't agree with my assessment?**

Talk with the Assessor. During this informal session you can learn how your assessment was made, what factors were considered, and what type of records are kept regarding your property.

**After this review, if I still think the assessment is incorrect, what can I do?**

The next step is to file an objection with the Assessor's Office. **Your objection must be written and filed prior to Board of Review adjournment with the Village Clerk.** Forms are available in the Village Clerk's Office. When you receive your tax bill in December, it is too late to file an objection. Paying your taxes under protest does not constitute an assessment objection unless you have first filed an appeal with the Board of Review.

**What is the Board of Review?**

The Board of Review is a 7-member citizen/Trustee panel appointed by the Board of Trustees. It is the Board's duty to hear evidence by the taxpayer and the Assessor and to decide if the assessment is correct.

**What evidence do I need to present to the Board of Review?**

State law puts the burden of proof on the property owner to show that the assessment is incorrect. Keep in mind that your evidence must be strong enough to prove that the Assessor's value is incorrect. The Board will consider only relevant testimony given at the hearing. **Stating that property taxes are too high is not relevant testimony.** You should establish in your mind what you think your property is worth. The best evidence for this would be recent sales prices for properties similar to yours. The closer in proximity and similarity, the better the evidence. Another type of evidence is oral testimony from a witness who has made a recent appraisal of your property.

### **Does the Board of Review have the final say?**

Appeals can be withdrawn or settled at any stage in the process. If you do not agree with the Board of Review decision, the next step is an appeal to the Circuit Court.

### **How do I appeal my assessment to court?**

An appeal to the circuit court must be made within 90 days after adjournment of the Board of Review. The court will then make a decision based solely on the testimony that was presented to the Board of Review. When your case goes before the circuit court, the court will review the record that was created at your Board of Review hearing and make its decision.

## **BOARD OF REVIEW**

The Board of Review consists of citizens/Trustees recommended for appointment by the Village President and approved by the Board of Trustees. The Board of Review is responsible for correcting any assessment errors. It conducts its hearings in a manner similar to a court. The Board of Review hearing dates are dependent on when the assessment roll is completed and the number of appeals brought to the Board.

You may wish to consider the following as you prepare for your hearing:

1. All evidence must be given as sworn oral testimony. You or your agent must attend the hearing if you wish your evidence to be considered. You should be prepared to explain to the Board what you think your property is worth and why.
2. You must present evidence to support your estimate of market value. This evidence must be either:
  - A. A recent sale of your property, if any. Bring written proof, such as a Closing Statement or Real Estate Transfer Return to substantiate the date and amount of the sale.
  - B. Recent sales of similar properties in your neighborhood, if any. Bring written proof substantiating the amount and date of sale.
  - C. Other specific reasons or factors showing the assessment is in error. Bring written evidence when possible, such as cost estimates for repairs and the like.

Be prepared to show how recent sales of similar properties compare to your property if you present them as evidence; for example, style, square footage of house, lot size, number of rooms,

condition, exterior wall constructions, etc. Written appraisals by qualified experts should be accompanied by oral testimony from those witnesses.

3. The Assessor's Office will present evidence relating to the market analysis performed on your property. You should contact the appraiser prior to the hearing to exchange information.
4. Bring copies of all written documents you wish to present at the hearing and give them to the Clerk at the time you file your objection.

The Board will determine the market value of your property based on the evidence presented. A written notice of the Board's decision will be mailed to you after the hearing.

Appeal from the Board of Review decision is to the Circuit Court. Generally property owners who wish to appeal to Circuit Court seek assistance from someone knowledgeable in the preparation of legal documents.

## GLOSSARY OF TERMS

**Assessed Value** - An estimate of value assigned to taxable property by the assessor for purposes of taxation. State law requires all assessments to be at 100% of market value. Assessed values are closer to market value following a revaluation. In non-revaluation years, assessed values reflect a fraction of market value due to the assessments remaining the same while properties increase in value.

**Market Value** — The amount a typical, well-informed purchaser would be willing to pay for a property. For a sale to represent market value, the seller must be willing (but not under pressure) to sell, and the buyer must be willing (but not under any obligation) to buy. The property must be on the open market for a reasonable length of time, the payment must be cash or it's equivalent, and the financing must be typical for that type of property.

**Revaluation** — When the assessor assigns a new value to all taxable property in a given year using current real estate sales activity. A revaluation is performed to assure each property is assessed at market value and pays only its fair share of taxes.

**Tax Base** — The total assessed value of all assessments in the Village.

**Tax Levy (budget)** — The total amount of property tax money that a taxing body (such as the schools, village, county etc.) needs to provide services.

**Tax Rate** — The tax levy (budget) divided by the tax base. It is often expressed in terms of dollars per thousand (\$30.13 per thousand or .03013).

**Property Tax** - Assessed value multiplied by the tax rate ( $150,000 \times .03013 = \$4,520$ ).

**Tax Incremental Financing** — A method of splitting the cost of public improvements in certain areas (tax increment districts) with the other taxing bodies that will benefit from an increase in the tax base. Basically, it works as follows: Any increase in value in the TID above the base value (the value at the time the TID was formed) is not included in determining the tax rate; however, the tax rate is applied to all taxable property in the TID. This additional revenue generated (the tax increment) is used by the municipality to help pay for the public improvements that stimulated the increased value in the TID. This process continues until the improvements are paid for, the legislative body terminates the TID, or 23 years have

## DATES TO REMEMBER

**DATE EVENT** January 1<sup>st</sup>: The assessment date all property is assessed as it existed on this date

March 1<sup>st</sup> Last day to file personal property return — Business owners only

March 1<sup>st</sup> Last day to file tax exemption forms

Assessment notices are mailed to property owners when the assessment roll is complete

Board of Review hearings are held 15 or more days after notices are mailed

## TAX EXEMPTION INFO

<http://www.waao.org/taxexemption.htm>

## LINKS TO IMPORTANT SITES

Wisconsin Association of Assessing Officers

<http://www.waao.org>

International Association of Assessing Officers

<http://www.iaao.org>

Wisconsin Dept of Revenue

<http://www.dor.state.wi.us>

League of Wisconsin Municipalities

<http://www.lwm-info.org>

URISA — Urban & Regional Information Systems association

<http://urisa.org>

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